

# BLUEPRINT

van Eyk Blueprint Alternatives Plus ARSN: 121 722 521 ASX Code: VBP

## Quarterly Performance Report

31 December 2013

### Trust Highlights

- Allocation to Absolute Equities increased;
- The Trust's LVR for the month ending December 2013 was 26.7%.



### Investment Performance

	1 mth	3 mths	6 mths	1 yr	2 yrs pa	3yrs pa	Inception %pa
van Eyk Blueprint Alternatives Plus	0.25%	-0.20%	0.26%	-3.16%	0.67%	1.25%	2.04%

### Master Fund Commentary

van Eyk's outlook on the economic environment as a whole remains largely unchanged. Recent economic data points towards global growth running a bit below average in 2014, but with some potential for a pickup. Inflation remains well constrained in almost all economies. Consequently the RBA left official interest unchanged at 2.5% at its December meeting. European and US inflation levels remain quite benign. Commodity prices have declined from their peaks but are still at high levels compared to their historic averages. Volatility across almost all financial assets has been constrained as well.

Commodity prices have come under pressure due to a decline in global demand, uncertainty over Europe and China and excess capacity. Recent improvement in the US has helped but Chinese recovery is moderate and supply concerns are evident in some commodities. Manufacturing and service growth continued in Japan, supported by the weak Yen, however employment and income growth is subdued. As in the United States, Japanese companies sit on huge cash stockpiles and may require several more months of solid growth as reassurance that the current expansion in demand will be sustained.

The DJ-UBS Commodity Index was up 1.55% in USD terms over the December quarter but closed the year down 9.58%, marking its third annual decline. Energy and industrial metals were the best performing sectors in the index while precious metals and grains were the worst.

Gold was down again by 9.28% over the December quarter in USD terms, with losses now experienced four months in a row. This worsened gold's year-to-year loss to 28.04%. In 2013, commodities in general and gold specifically were pressured by a government shutdown, a strengthening economy, lower-than-expected inflation.

Macro strategies posted gains both in November and December despite the negative influence of declines in underlying Emerging and Commodity Markets. The HFRI Macro Strategies Index rose +1.55% in USD terms over the December quarter, narrowing the YTD decline to -0.68%, putting Macro within striking distance of avoiding a third consecutive calendar year decline. Macro Multi-strategy funds and CTA's led gains for the month of December, with these up +1.9 and +1.3%, respectively.

Currently the exposure to commodities and gold is modest given the prevalence of deflationary pressures in the global economies while there is a relative bias to diversifying assets such as volatility trading and macro funds as well as equity based absolute return strategies. During the quarter the position in real assets was further reduced to increase exposure to these absolute return strategies.

This increase to absolute return strategies also aims to take advantage of the ongoing recovery in the equity market. Volatility remains well constrained across nearly all asset classes, which could potentially provide an entry point to strategies with the capability of harnessing returns from spikes in volatility.

The resulting targeted portfolio is set out in the table below:

#### van Eyk Blueprint Alternatives Fund at 31/12/2013

Underlying Fund	Target	Sub-Sectors
<b>Absolute Return Strategies</b>		
van Eyk Blueprint Absolute Australian Shares Fund	15.5%	Absolute Equities
van Eyk Blueprint Absolute International Shares Fund	15.5%	Absolute Equities
van Eyk Blueprint Volatility Buffer Fund	10.0%	Absolute Equities
Tribeca Global Total Return Fund	17.0%	Global Macro
GAM Absolute Return Bond Fund	17.0%	Fixed Income Macro
<b>Real Assets^</b>		
van Eyk Blueprint Gold Bullion Fund	7.0%	Gold
CSL Long/Short Fund	15.0%	Commodties
<b>Cash</b>		
Macquarie True Index Cash Fund	1.5%	Cash
Macquarie Treasury Fund	1.5%	Cash

\* Includes (but is not limited to) absolute equities, alternative beta, global macro and fixed income macro.

^ Includes (but is not limited to) commodities, gold and direct property.

The Master Fund is designed to provide returns that are not highly correlated with traditional share and bond market returns. van Eyk is responsible for active asset allocation. Any biases within the Master Fund reflect van Eyk's investment outlook and relative market valuations, as published in its subscription-based research for financial planners.

## Investment Objective & Strategy

The van Eyk Blueprint Alternatives Plus trust (the "Trust") is a feeder fund which invests into the unlisted van Eyk Blueprint Alternatives Fund (ARSN 112 183 249, the "Master Fund") which is issued by Macquarie Investment Management Limited. The Master Fund aims to provide an actively managed exposure to a range of specialist Underlying Managers who are highly regarded by van Eyk and who employ alternative investment strategies such as absolute return strategies, global macro, fixed income macro, direct property, commodities and gold. The Trust may use borrowings to increase the investment into the investment strategy.

The Trust, by investing in the Master Fund, aims to provide returns that are not highly correlated with traditional share and bond market returns.

## Investment Manager

van Eyk Research Pty Ltd ABN 99 010 664 632 corporate authorised representative of van Eyk Financial Group Pty Ltd ABN 28 149 679 078, AFSL 402146 (authorised representative number 408625) is responsible for investing the assets of the Trust into the Master Fund and managing the borrowings of the Trust.

van Eyk was established in 1989, and is a premier supplier of investment research to Australian and New Zealand advisers. van Eyk specialises in strategic and tactical asset allocation, investment research, direct share research and economic commentary. van Eyk is independently owned and receives no payment from fund managers for their ratings.

van Eyk also acts as Investment Manager to a series of managed funds issued by Macquarie Investment Management Limited ("Macquarie"). The van Eyk Blueprint Series consists of a number of multi-manager unit trusts, which includes the Master Fund, that provides investors with access to pre-blended portfolios in either single or multi-asset class options. van Eyk advises on the construction of the portfolios within the van Eyk Blueprint Series and the selection of Underlying Managers. van Eyk provides direction on the proportion of the allocations to each asset class, and to each Underlying Manager, in accordance with their investment research views.

## Summary of the Trust

Net Asset Value <sup>1</sup> (NAV)	\$93 million
Net Asset Value <sup>1</sup> per Unit	\$6.4768
NAV <sup>4</sup> Accumulation per Unit	\$11.1892

<sup>1</sup> Final ex-distribution.

<sup>3</sup> Rounded to four decimal figures.

<sup>2</sup> Less sell-spread.

<sup>4</sup> Assumes reinvestment of distributions.

## Trust Features

Issuer and Responsible Entity



Listing Date	20 December 2006
Unit pricing	Weekly
Distribution frequency	Half yearly
Distribution	Available
Reinvestment Plan	
Applications	Investors may acquire Units on market or via a current Product Disclosure Statement.
Redemptions	On market by selling on the ASX or off-market at the Net Asset Value <sup>2</sup> per Unit each week.

## Trust Distributions<sup>3</sup> (per Unit)

Period Year Ended	Cash	Franking Credits	Total	Yield at NAV pa
30 Jun 07	\$1.1889	\$0.0023	\$1.1912	24.5%
30 Jun 08	\$0.8893	\$0.0011	\$0.8904	9.6%
30 Jun 09	\$0.2500	\$0.0000	\$0.2500	2.8%
30 Jun 10	\$0.4730	\$0.0000	\$0.4730	6.7%
30 Jun 11	\$0.6465	\$0.0000	\$0.6465	8.9%
30 Jun 12	\$0.8400	\$0.0000	\$0.8400	11.3%
30 Jun 13	\$0.0467	\$0.0000	\$0.0467	2.2%
31 Dec 13	\$0.0450	\$0.0000	\$0.0450	0.7%
Total	\$4.4794	\$0.0034	\$4.4828	

## About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited and Fortitude Capital Pty Ltd.

The combined group has in excess of \$613 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

Aurora is also the issuer and/or distributor of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
- Aurora Global Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- Aurora Absolute Return Fund (ASX code: ABW)
- Aurora Dividend Income Trust (Managed Fund) (ASX code: AOD)

## Contact

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